

## CHAPTER 171

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**HUMAN SERVICES - SOCIAL SERVICES**


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## SENATE BILL 16-201

BY SENATOR(S) Grantham, Lambert, Steadman;  
also REPRESENTATIVE(S) Young, Hamner, Rankin.

## AN ACT

## CONCERNING REVISING THE CHILD WELFARE FUNDING MECHANISM.

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** In Colorado Revised Statutes, 26-1-132, **amend** (1) introductory portion, (1) (a), and (4) as follows:

**26-1-132. Department of human services - rate setting - residential treatment service providers - monitoring and auditing - report.** (1) IN CONJUNCTION WITH THE GROUP OF REPRESENTATIVES CONVENED BY THE STATE DEPARTMENT PURSUANT TO SECTION 26-5-104 (6) (e) TO REVIEW THE RATE-SETTING PROCESS FOR CHILD WELFARE SERVICES, the state department shall develop a rate-setting process consistent with medicaid requirements for providers of residential treatment services in the state of Colorado. ~~Representatives of counties and the provider community shall be involved in the actual development of the rate-setting process.~~ THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING SHALL APPROVE the rate-setting process for rates funded by medicaid. ~~shall be approved by the department of health care policy and financing.~~ The rate-setting process developed pursuant to this section may include: ~~but shall not be limited to:~~

(a) A range for reimbursement that represents a base-treatment rate for serving a child who is subject to out-of-home placement due to dependency and neglect, a child placed in a residential child care facility pursuant to the "Child Mental Health Treatment Act", article 67 of title 27, C.R.S., or a child who has been adjudicated a delinquent, which includes a defined service package to meet the needs of the child;

(4)(a) The state department, in conjunction with the counties and providers, shall

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

submit an initial report to the joint budget committee of the general assembly on or before January 1, ~~2008~~ 2017, AND EVERY JANUARY 1 THEREAFTER. The report ~~shall~~ MUST include the rate-setting process and the implementation timeline developed pursuant to this section.

(b) The department of health care policy and financing and the state department, in consultation with ~~the representatives of the counties and the provider community~~ THE GROUP OF REPRESENTATIVES CONVENED BY THE STATE DEPARTMENT PURSUANT TO SECTION 26-5-104 (6) (e) TO REVIEW THE RATE-SETTING PROCESS FOR CHILD WELFARE SERVICES, shall review the rate-setting process every two years and shall submit any changes to the joint budget committee of the general assembly.

**SECTION 2.** In Colorado Revised Statutes, 26-5-103.5, **add** (6) as follows:

**26-5-103.5. Child welfare allocations committee - organization - advisory duties - allocations model.** (6) ON OR BEFORE JUNE 15, 2017, THE CHILD WELFARE ALLOCATIONS COMMITTEE SHALL CONSIDER DEVELOPING AN ALLOCATIONS MODEL BASED ON THE RECOMMENDATIONS DEVELOPED PURSUANT TO SECTION 26-5-104(9). NONE OF THE PROVISIONS OF SENATE BILL 16-201, ENACTED IN 2016, SUPERSEDE OR INFRINGE ON THE STATUTORY AUTHORITY OF THE CHILD WELFARE ALLOCATIONS COMMITTEE.

**SECTION 3.** In Colorado Revised Statutes, 26-5-104, **amend** (6) (d) and (6.5); and **add** (6) (e) and (9) as follows:

**26-5-104. Funding of child welfare services - rules - funding mechanism review.** (6) **County negotiations with providers.** (d) By July 1, 2008, and by July 1 of each even-numbered year thereafter, the state department shall complete a review of the methodology by which counties negotiate rates, services, and outcomes with licensed providers. ~~which~~ THE methodology USED is governed by rules promulgated by the state department pursuant to paragraph (b) of this subsection (6). In preparing for and conducting the review, the state department shall ~~invite and accept the participation of representatives of the counties~~ CONVENE A GROUP OF PERSONS REPRESENTING THE DIRECTORS OF COUNTY DEPARTMENTS OF HUMAN OR SOCIAL SERVICES and the provider community.

(e) ON OR BEFORE AUGUST 1, 2016, AS A CONTINUATION OF THE REVIEW CONDUCTED PURSUANT TO PARAGRAPH (d) OF THIS SUBSECTION (6) OF THE METHODOLOGY BY WHICH COUNTIES NEGOTIATE RATES, SERVICES, AND OUTCOMES WITH LICENSED PROVIDERS, THE STATE DEPARTMENT SHALL CONVENE A GROUP OF REPRESENTATIVES FROM THE STATE DEPARTMENT, COUNTIES, THE PROVIDER COMMUNITY, AND THE JOINT BUDGET COMMITTEE TO REVIEW THE RATE-SETTING PROCESS FOR PROVIDER COMPENSATION. ON OR BEFORE DECEMBER 15, 2016, THE GROUP SHALL PROVIDE THE JOINT BUDGET COMMITTEE AND THE CHILD WELFARE ALLOCATIONS COMMITTEE WITH A REPORT THAT RECOMMENDS WHETHER ANY CHANGES TO THE RATE-SETTING PROCESS FOR PROVIDER COMPENSATION ARE ADVISABLE AND, IF SO, THE RECOMMENDED PROCESS OR METHODOLOGY. THE GROUP IS NOT REQUIRED TO RECOMMEND CHANGES TO THE CURRENT RATE-SETTING PROCESS IF IT DETERMINES THAT THE CURRENT RATE-SETTING PROCESS IS THE PREFERABLE OPTION.

(6.5) The state department shall analyze and evaluate expenditures as reported by child placement agencies each year and compare such expenditures to county expenditures for the provision of foster care services. The state department shall provide, at least on an annual basis, such analyses and comparisons to county departments AND THE JOINT BUDGET COMMITTEE.

**(9) Child welfare funding review and restructure.** (a) ON OR BEFORE AUGUST 1, 2016, THE CHILD WELFARE ALLOCATIONS COMMITTEE SHALL CONSIDER WHETHER A RESTRUCTURING OF CHILD WELFARE FUNDING POLICY WOULD BE ADVISABLE. THE CHILD WELFARE ALLOCATIONS COMMITTEE SHALL SOLICIT AND INCLUDE INPUT FROM ANY INTERESTED COUNTY COMMISSIONERS, DIRECTORS OF COUNTY DEPARTMENTS OF HUMAN OR SOCIAL SERVICES, COUNTY CHILD WELFARE DIRECTORS, COUNTY FINANCIAL OFFICERS, THE STATE DEPARTMENT, AND THE JOINT BUDGET COMMITTEE IN ITS CONSIDERATION OF CHILD WELFARE FUNDING RESTRUCTURING. ANY SUCH POLICY CHANGES MUST REFLECT FEDERAL AND STATE LAW, AS WELL AS CURRENT CHILD WELFARE PRACTICES.

(b) ON OR BEFORE DECEMBER 15, 2016, THE CHILD WELFARE ALLOCATIONS COMMITTEE SHALL PROVIDE THE JOINT BUDGET COMMITTEE WITH ITS FINDINGS AND ANY RECOMMENDATIONS FOR RESTRUCTURING CHILD WELFARE FUNDING. THE RECOMMENDATIONS MUST INCLUDE THE INPUT FROM STAKEHOLDERS AS PROVIDED FOR IN PARAGRAPH (a) OF THIS SUBSECTION (9), AND MAY INCLUDE STANDARDS FOR A NEW ALLOCATIONS MODEL FOR CHILD WELFARE FUNDING AND AN EVALUATION PROCESS. THE CHILD WELFARE ALLOCATIONS COMMITTEE IS NOT REQUIRED TO RECOMMEND CHANGES TO THE CURRENT CHILD WELFARE FUNDING STRUCTURE IF IT DETERMINES THAT THE CURRENT STRUCTURE IS THE PREFERABLE OPTION.

(c) THE CHILD WELFARE ALLOCATIONS COMMITTEE SHALL CONSIDER INPUT FROM STAKEHOLDERS AS PROVIDED FOR IN PARAGRAPH (a) OF THIS SUBSECTION (9) IN DISCUSSING:

(I) FUNDING FOR COUNTY LEVEL STAFF, SERVICES, CHILD WELFARE-RELATED OPERATIONAL EXPENSES, AND ADMINISTRATIVE AND SUPPORT FUNCTIONS;

(II) STRATEGIES THAT ENHANCE THE FLEXIBILITY FOR COUNTIES TO USE CHILD WELFARE FUNDING IN ACCORDANCE WITH STATE AND FEDERAL LAWS;

(III) STRATEGIES TO IMPROVE JOB ENRICHMENT AND EMPLOYEE RETENTION;

(IV) THE IMPACT OF ANY RECOMMENDATION ON LOCAL SPENDING REQUIREMENTS;

(V) ANY STATUTORY CHANGES NECESSARY TO IMPLEMENT THE RECOMMENDATIONS; AND

(VI) ALLOCATIONS THAT SUPPORT CURRENT CHILD WELFARE PRACTICES.

(d) ON OR BEFORE JANUARY 1, 2018, AND EACH JANUARY 1 THEREAFTER, THE CHILD WELFARE ALLOCATIONS COMMITTEE SHALL SUBMIT AN ANNUAL REPORT TO THE JOINT BUDGET COMMITTEE, THE PUBLIC HEALTH CARE AND HUMAN SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES, AND THE SENATE HEALTH AND

HUMAN SERVICES COMMITTEE, OR ANY SUCCESSOR COMMITTEES. THE REPORT MUST INCLUDE THE RESULTS OF REGULAR ASSESSMENTS OF THE METHODS FOR THE EVALUATION OF AND REPORTING ON THE ALLOCATION, USE, SUFFICIENCY, AND EFFECTIVENESS OF FUNDING AND SERVICES FUNDED THROUGH LINE ITEMS FROM WHICH ALLOCATIONS ARE MADE TO COUNTIES.

**SECTION 4. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 18, 2016